



Enduring Resources

475 17TH Street Suite 1500 Denver Colorado 80202
Telephone 303 573-1222 Fax 303 573 0461

April 11, 2007

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Attn.: Ms. Diana Whitney

RE: Enduring Resources, LLC
Hanging Rock 12-24-31-18
NWNE 18-12S-24E
Federal Lease: UTU-73704
Uintah County, Utah

Dear Ms. Whitney:

Enclosed is one original application to drill concerning the above-referenced proposed well.

Enduring Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or additional information is required, please contact me at 303-350-5719.

Very truly yours,

Evette Bissett
Regulatory Affairs Assistant

Enclosures

RECEIVED

APR 16 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: UTU-73704	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEE PEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Enduring Resources, LLC				9. WELL NAME and NUMBER: Hanging Rock 12-24-31-18	
3. ADDRESS OF OPERATOR: 475 17th St., Ste 1500 CITY Denver STATE CO ZIP 80220				10. FIELD AND POOL, OR WILDCAT: Undesignated	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 615' FNL - 1880' FEL AT PROPOSED PRODUCING ZONE: Same				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 18 12S 24E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 66.6 miles South of Vernal, UT				12. COUNTY: Uintah	
				13. STATE: UTAH	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 615'		16. NUMBER OF ACRES IN LEASE: 640		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1000' +		19. PROPOSED DEPTH: 6,690		20. BOND DESCRIPTION: RLB0008031	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6186' RT-KB		22. APPROXIMATE DATE WORK WILL START: 6/15/2007		23. ESTIMATED DURATION: 20 days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
20"	14" line pipe	40	3 yards	Ready Mix		
11"	8-5/8" J-55 24#	2,016	Premium Lead	138 sxs	3.50	11.1
			Premium Tail	138 sxs	1.15	15.8
7-7/8"	4-1/2" N-80 11.6#	6,690	Class G	32 sxs	3.3	11.0
			50/50 Poz Class G	846 sxs	1.56	14.3

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Evette Bissett	TITLE Regulatory Affairs Assistant
SIGNATURE	DATE 4/11/2007

(This space for State use only)

**Approved by the
Utah Division of
Oil, Gas and Mining**

API NUMBER ASSIGNED: **43-047-39215**

APPROVAL:

Date: **04-18-07**
By:

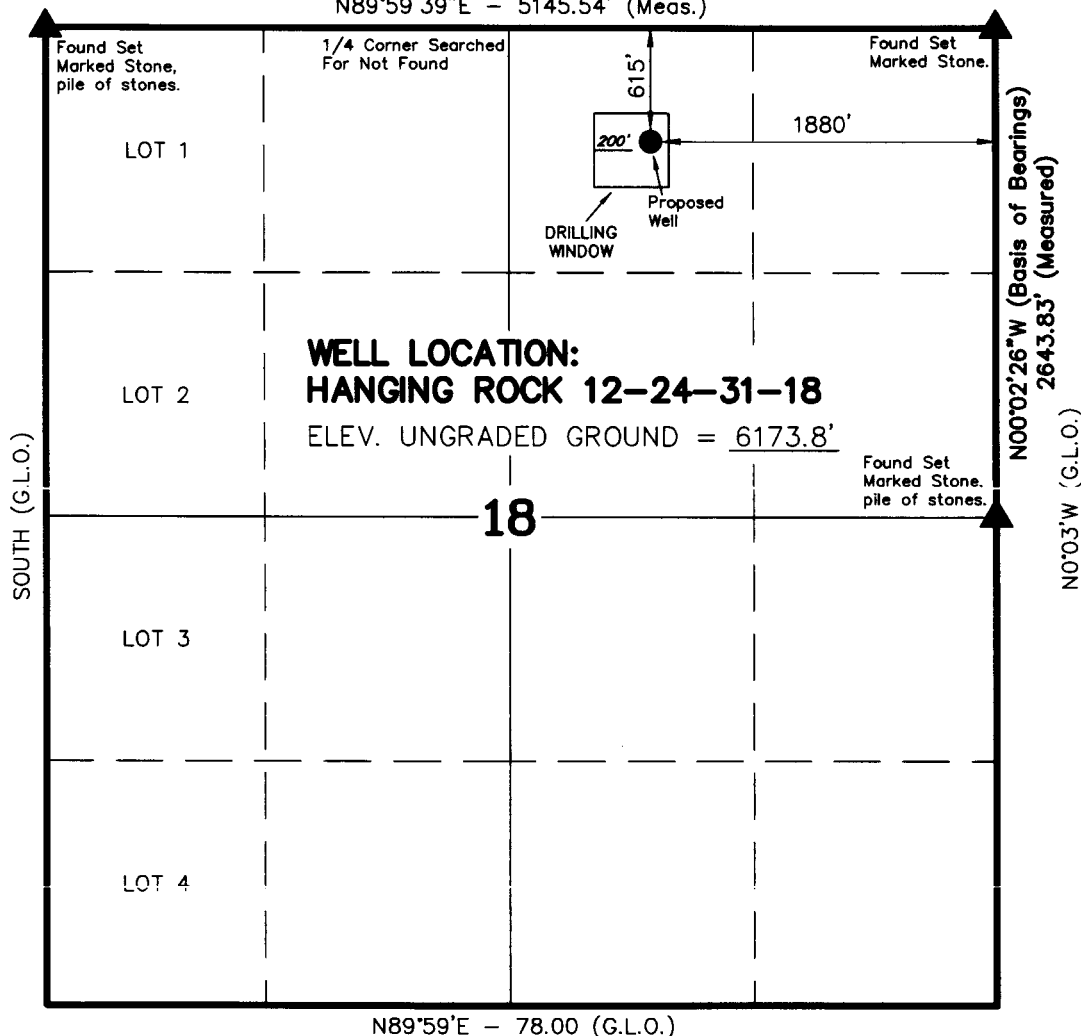
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DIV. OF OIL, GAS & MINING

T12S, R24E, S.L.B.&M.

S89°59'E - 77.88 (G.L.O.)
N89°59'39"E - 5145.54' (Meas.)



ENDURING RESOURCES

WELL LOCATION, HANGING ROCK
12-24-31-18, LOCATED AS SHOWN IN
THE NW 1/4 NE 1/4 OF SECTION 18,
T12S, R24E, S.L.B.&M. UTAH COUNTY,
UTAH.



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF.

PLIST No. 362251

KOLBY R.

REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

▲ = SECTION CORNERS LOCATED

BASIS OF ELEVATION IS BENCH MARK 88 EAM 1965
LOCATED IN THE SW 1/4 OF SECTION 6, T12S,
R24E, S.L.B.&M. THE ELEVATION OF THIS BENCH
MARK IS SHOWN ON THE ARCHY BENCH SE 7.5 MIN.
QUADRANGLE AS BEING 6066'.

HANGING ROCK 12-24-31-18
(Proposed Well Head)

NAD 83 Autonomous

LATITUDE = 39° 46' 49.74"

LONGITUDE = 109° 16' 14.40"

TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078
(435) 789-1365

DATE SURVEYED: 02-24-07	SURVEYED BY: B.J.S.	SHEET 2 OF 10
DATE DRAWN: 02-26-07	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	

SELF-CERTIFICATION STATEMENT

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that Enduring Resources, LLC is considered to be the operator of the following well.

Hanging Rock 12-24-31-18

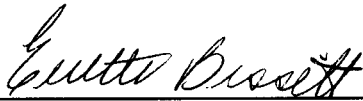
Surface Location: NWNE Sec. 18-12S-24E

615' FNL – 1880' FEL

Lease Serial No.: UTU-73704

Uintah County, Utah

Enduring Resources, LLC is responsible under the terms and conditions of the lease for the operations conducted upon leased lands. Bond coverage is provided by UTB000173.



Evette Bissett
Regulatory Affairs Assistant
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202
(303) 350-5719

4/11/2007

Date

**Enduring Resources, LLC
Hanging Rock 12-24-31-18
NWE 18-12S-24E
Uintah County, Utah
Federal Lease: UTU-73704**

ONSHORE ORDER 1 - DRILLING PLAN

1. Estimated Tops of Geological Markers:

Formation	Depth (K.B.)
Uinta	Surface
Green River	176
Wasatch	2456
Mesaverde	3786

2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals:

Substance	Formation	Depth (K.B.)
	KB-Uinta Elevation: 6186'	
Oil / Gas	Green River	176
Oil /Gas	Wasatch	2456
Oil /Gas	Mesaverde	3786
	Estimated TD	6690

An 11" hole will be drilled to approximately 2016 feet. The depth will be determined by the depth that the Birds Nest zone is encountered. The hole will be drilled 400 feet beyond the top of the Birds Nest zone and surface casing will be set.

3. Pressure Control Equipment: (3000 psi schematic attached)

- A. Type: Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer on 3,000 psi casinghead, with 3,000 psi choke manifold equipped per the attached diagram. BOPE as specified in *Onshore Oil & Gas Order Number 2*. A PVT, stroke counter and flow sensor will be installed to check for flow and monitor pit volume.
- B. Pressure Rating: 3,000 psi BOPE
- C. Kelly will be equipped with upper and lower Kelly valves.
- D. Testing Procedure: Annular Preventer

At a minimum, the annular preventer will be pressure tested to 50% of the stack rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the annular preventer is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

E. Miscellaneous Information:

The blowout preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*.

4. Proposed Casing & Cementing Program:

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (MD)
20"	14" O.D.				40' (GL)
11"	8-5/8"	24#	J-55	ST&C	0 – 2,016' (KB) est.
7-7/8"	4-1/2"	11.6#	N-80	LT&C	0 – 6690' (KB)

The surface casing will have guide shoe. Centralize the shoe joint with bowspring centralizers in the middle and top of the joint and the next 16 joints with bowspring centralizers on every other collar (8 centralizers total). Thread lock guide shoe.

Casing string(s) will be pressure tested to 0.22 psi/foot of casing string length or 1500 psi, whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe.

B. Casing Design Parameters:

Depth (MD)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40' (GL)	14" OD			
2016' (KB)	8-5/8", 24#/ft, J55, STC	1370/1.52(a)	2950/3.28(b)	244/5.81(c)
6690' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.83(d)	7780/2.43 (e)	223/3.34(f)

- (a.) based on full evacuation of pipe with 8.6 ppg fluid on annulus
- (b.) based on 8.6 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in 8.6 ppg mud
- (d.) based on full evacuation of pipe with 10.0 ppg fluid on annulus
- (e.) based on 9.2 ppg gradient, gas to surface, with no fluid on annulus, no gas gradient
- (f.) based on casing string weight in 9.2 ppg mud

PROPOSED CEMENTING PROGRAM

Surface Casing (if well will circulate)-Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	1516	Premium cement + 16% gel + 0.25 pps celloflake	138	25%	11.1	3.50
8-5/8"	Tail	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	138	25%	15.8	1.15

A cement top job is required if cement fallback is greater than 10' below ground level. Top job (weight 15.8 ppg, yield 1.15 ft³/sx) cement will be premium cement w/ 3% CaCl₂.+0.25 pps celloflake. Volume as required

Surface Casing (if well will not circulate) - Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	138	25	15.8	1.15
8-5/8"	Top job	As req.	Premium cement + 3% CaCl ₂ + 0.25 pps celloflake	As Req.		15.8	1.15

Production Casing and Liner - Cemented TD to 300' above base of surface casing

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
4-1/2"	Lead	340	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	32	25	11.0	3.3
4-1/2"	Tail	4634	50/50 POZ Class G + 2% gel + 1% CaCl ₂ + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	846	25	14.3	1.56

Cement volumes for the 4-1/2" Production Casing will be calculated to provide a top of cement to 300' above base of surface casing. Cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole. Actual cement types may vary due to hole conditions and cement contractor used.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. Drilling Fluids (mud) Program:

Interval (MD)	Mud Weight	Fluid Loss	Viscosity	Mud Type
0' – 2016' (KB)		No cntrl		Air/mist
2000'-3000' (KB)	8.4-8.6	No cntrl	28-36	Water
3000'-6690' (KB)	8.8-9.8	8 - 10 ml	32-42	Water/Gel

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. Evaluation Program:

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Samples: No sampling is currently planned.

Logging

- Dual Induction – SFL /Gamma Ray/Caliper/SP/TDLT/CNL/ML
TD to Base Surface Casing
- Cement Bond Log / Gamma Ray:
TD to Base of Surface Casing or Top of Cement if below Base of Surface Casing

Stimulation: A stimulation or frac treatment will be designed for completion of this well based on openhole log analysis. The drill site, as approved, will be sufficient size to accommodate all completion activities.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 3479 psi (calculated at 0.52psi/foot of hole) and maximum anticipated surface pressure equals approximately 2007 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

8. Anticipated Starting Dates:

- Anticipated Commencement Date- Within one year of APD issue.
- Drilling Days- Approximately 10 days
- Completion Days - Approximately 10 days
- Anticipate location construction within 30 days of permit issue.

9. Variances:

None anticipated

10. Other:

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The reports shall be submitted to the Division of Oil, Gas and Mining and the School and Institutional Trust lands Administration upon their receipt.

Single Shot directional surveys will be dropped every 2000 feet to monitor hole angle.

ENDURING RESOURCES
Hanging Rock 12-24-31-18
Section 18, T12S, R24E, S.L.B.&M.

FROM THE INTERSECTION OF U.S. HIGHWAY 40 AND 500 EAST STREET IN VERNAL, UTAH PROCEED IN AN EASTERLY THEN SOUTHERLY DIRECTION ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.3 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 45 APPROXIMATELY 40.5 MILES TO THE JUNCTION OF THE DRAGON ROAD (COUNTY B ROAD 4180). THIS ROAD IS LOCATED APPROXIMATELY 4.5 MILES SOUTH OF BONANZA, UTAH. EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4180 APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THE KINGS WELLS ROAD (COUNTY B ROAD 4190). EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 8.7 MILES TO THE JUNCTION OF THE ATCHEE RIDGE ROAD (COUNTY B ROAD 4270). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THE LONG DRAW ROAD (COUNTY E ROAD 4260). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHERLY, THEN WESTERLY DIRECTION APPROXIMATELY 3.9 MILES TO THE INTERSECTION OF AN EXISTING ROAD TO THE SOUTHEAST. EXIT LEFT AND FOLLOW EXISTING ROAD IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE INTERSECTION OF AN EXISTING ROAD TO THE SOUTHWEST. EXIT RIGHT AND FOLLOW EXISTING ROAD IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 70 FEET TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 3,230 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 66.6 MILES IN A SOUTHEASTERLY DIRECTION.

**Enduring Resources, LLC
Hanging Rock 12-24-31-18
NWNE 18-12S-24E
Uintah County, Utah
Federal Lease: UTU-73704**

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

From The Intersection Of U.S. Highway 40 And 500 East Street In Vernal, Utah Proceed In An Easterly Then Southerly Direction Along U.S. Highway 40 Approximately 3.3 Miles To The Junction Of State Highway 45; Exit Right And Proceed In A Southerly Direction Along State Highway 45 Approximately 40.5 Miles To The Junction Of The Dragon Road (County B Road 4180). This Road Is Located Approximately 4.5 Miles South Of Bonanza, Utah. Exit Left And Proceed In A Southeasterly Direction Along County B Road 4180 Approximately 4.0 Miles To The Junction Of The Kings Wells Road (County B Road 4190). Exit Right And Proceed In A Southwesterly Direction Along County B Road 4190 Approximately 8.7 Miles To The Junction Of The Atchee Ridge Road (County B Road 4270). Continue Along County B Road 4190 In A Southwesterly Direction Approximately 4.3 Miles To The Junction Of The Long Draw Road (County B Road 4260). Continue Along County B Road 4190 In A Southerly, Then Westerly Direction Approximately 3.9 Miles To The Intersection Of An Existing Road To The Southeast. Exit Left And Follow Existing Road In A Southeasterly Direction Approximately 1.3 Miles To The Intersection Of An Existing Road To The Southwest. Exit Right And Follow Existing Road In A Southwesterly Direction Approximately 70 Feet To The Proposed Access Road. Follow Road Flags In A Southeasterly Direction Approximately 3,230 Feet To The Proposed Location.

Total Distance From Vernal, Utah To The Proposed Well Location Is Approximately 66.6 Miles In A Southeasterly Direction.

2. Planned Access Roads:

The proposed access road will be approximately 3,230 feet of new construction, of which 2,490 feet is on-lease and 740 feet is off-lease. Please refer to Topo Map "B" for the takeoff point for the new road construction.

The proposed access road will be utilized to transport personnel, equipment and supplies to and from the proposed well site during drilling, completion and production operations. The road will be utilized year round.

The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. No fence crossings, culverts, turnouts, cattle guards or major cuts and fills are required. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells within a One-Mile radius (See "Topo" Map "C" attached):

The following wells are wells located within a one (1) mile radius of the proposed location.

- | | | |
|----|-------|--|
| a. | None: | Water Wells: |
| b. | None: | Injection Wells: |
| c. | (6): | Producing Wells: |
| | | 1. Hanging Rock Federal 7-2 |
| | | 2. Hanging Rock Federal 7-6 |
| | | 3. Hanging Rock Federal 7-8 |
| | | 4. Hanging Rock Federal 7-10 |
| | | 5. Tucker Federal 8-6 |
| | | 6. Tucker Federal 8-12 |
| d. | None: | Drilling Wells: |
| e. | (5): | Shut-in Wells: |
| | | 1. Hanging Rock Federal 12-8 |
| | | 2. Hanging Rock Federal 12-9 |
| | | 3. Hanging Rock Federal 7-14 |
| | | 4. Hanging Rock 12-24-11-18 |
| | | 5. Center Fork Federal 17-4 |
| f. | None: | Temporarily Abandoned Wells: |
| g. | None: | Disposal Wells: |
| h. | (1): | Abandoned Wells: |
| | | 1. Hanging Rock Federal 12-15 |
| i. | None: | Dry Holes: |
| j. | None: | Observation Wells: |
| k. | (1): | Pending (staked) Wells: |
| | | 1. There is one other wells staked in this section |

4. Location of Existing and/or Proposed Facilities:

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

All permanent (on site for six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the rocky Mountain Five State Inter-Agency Committee

All facilities will be painted within 6 months of installation. The color shall be Dark Olive Black. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Gas Gathering Pipeline:	ON-LEASE	2,545'	BLM
	OFF-LEASE	750'	BLM

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed for year around usage. Approximately 3,295 feet of 6" or less surface gas gathering pipeline shall be laid to minimize surface disturbance.

The proposed pipeline will begin at the well site, be laid by the side of the access road and tie-in to an existing pipeline.

The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

Upon plugging and abandonment, the gas gathering line will be removed and the disturbed area will be re-contoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

5. Location and Type of Water Supply:

Whenever practical, water will be obtained from Enduring Resources LLC Water Right Number 49-2249 (*See Townships of permitted Use below). If those sources are not available, a new water source shall be submitted prior to commencing operations. (These permits have one-year terms and then must be renewed,)

*Enduring Water Permits' Townships of Use:

T10S-R22E	T11S-R22E	T12S-R22E
T10S-R23E	T11S-R23E	T12S-R23E
T10S-R24E	T11S-R24E	<u>T12S-R24E</u>

Water will be hauled to the location over the roads marked on "Topo" Maps "A" and "B."

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized for location and access road construction.

Any gravel will be obtained from a commercial source; however, gravel sized rock debris associated with location and access road construction may be used as access road surfacing material.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, contained in the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break or allow discharge of liquids.

The reserve pit will be lined with ¼ felt and a minimum of 16 mm plastic with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

A chemical portable toilet will be furnished with the drilling rig. The toilet will be replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

Garbage, trash and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Produced oil will be stored in an oil tank and then hauled by truck to a crude purchaser facility. Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to an approved disposal site.

8. Ancillary Facilities:

During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crews' housing and eating facilities. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

9. Well Site Layout: (Refer to Sheets #2, #3, and #4)

The attached Location Layout Diagrams described drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s) and surface material stockpiles(s).

Please see the attached diagram for rig orientation and access roads.

The top soil will be windrowed rather than piled. It will be reseeded and track walker at the time the location is constructed. Seeding will be with the determined during the onsite. (Refer to "Seed Mixture for Windrowed Top Soil Will included:" following herein.

The top soil removed from the pit area will be store separately and will not be reseeded until the pit is reclaimed.

All pits shall be fence to the following minimum standards:

- a. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- b. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.

- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.
- f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.
- g. Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.

10. Plans for Surface Reclamation:

Producing Location:

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.
- b. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40CFR 3162.7.
- c. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.
- d. The reserve pit and that portion of the location not needed for production facilities / operations will be re-contoured to the approximated natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.
- e. To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding round surface to allow the reclaimed pit area to drain effectively.
- f. Upon completion of back filling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

- i. Abandoned well sites, roads and other disturbed areas will be restored as nearly as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.
- ii. All disturbed surfaces will be re-contoured to the approximated natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

Seed Mixture for Windrowed Top Soil Will Included:

To be provided by the BLM

11. Surface Ownership: Location, Access and Pipeline Route:

Wellsite: Bureau of Land Management

Access: Bureau of Land Management

Pipeline: Bureau of Land Management

12. Other Information

On-site Inspection for Location, Access and Pipeline Route:

The on-site was conducted on April 4, 2007

Attending were:

1. Melissa Hawk - BLM
2. Mike Stewart - Ponderosa Construction
3. Larry Rowell – Ponderosa Construction
4. Kolby Kay - Timberline
5. Doug Hammond - Enduring Resources

Special Conditions of Approval:
None for this well(s).

Archeology:

- a. A Cultural Resource Inventory Report is pending and to be prepared by Montgomery Archaeological Consultants.

Paleontology:

- b. A Paleontology Reconnaissance Report is pending and to be prepared by Intermountain Paleo-Consulting.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites will be suspended and the discovery reported promptly to the surface management agency.

13. **Lessee's or Operator's Representatives:**

Representatives:

Alvin R. (Al) Arlian
Landman – Regulatory Specialist
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-350-5114
Fax Tel: 303-573-0461
aarlian@enduringresources.com

Teme Singleton
Vice President – Operations
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-350-5711
Fax Tel: 303-573-0461
tsingleton@enduringresources.com

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his/her/its subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A complete copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

The operator or his/her/its contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by Enduring Resources, LLC and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Please be advised that Enduring Resources, LLC is considered to be the operator of the Hanging Rock 12-24-31-18 Well; NWNE Section 18, Township 12 South, Range 24 East; Lease #:UTU-73704 Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Statewide Oil & Gas Lease Bond No. UTB000173 and State of Utah, Division of Oil, Gas & Mining Surety Bond No. RLB0008031

ENDURING RESOURCES, LLC



Alvin (Al) R. Arlian
Landman – Regulatory Specialist

April 11, 2007



PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

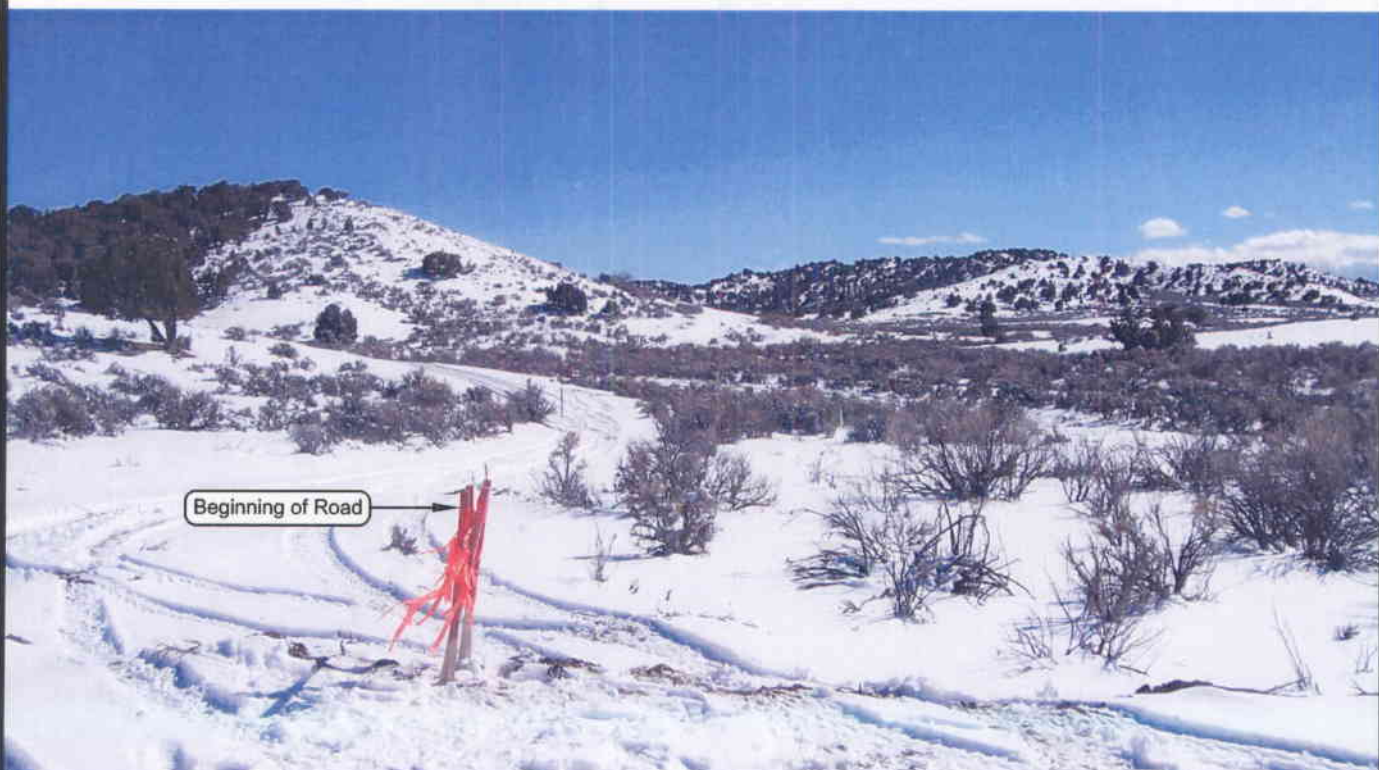


PHOTO VIEW: FROM BEGINNING OF ROAD

CAMERA ANGLE: SOUTHEASTERLY

ENDURING RESOURCES

Hanging Rock 12-24-31-18
SECTION 18, T12S, R24E, S.L.B.&M.

LOCATION PHOTOS

TAKEN BY: B.J.S.

DRAWN BY: M.W.W.

DATE TAKEN: 02-24-07

DATE DRAWN: 02-27-07

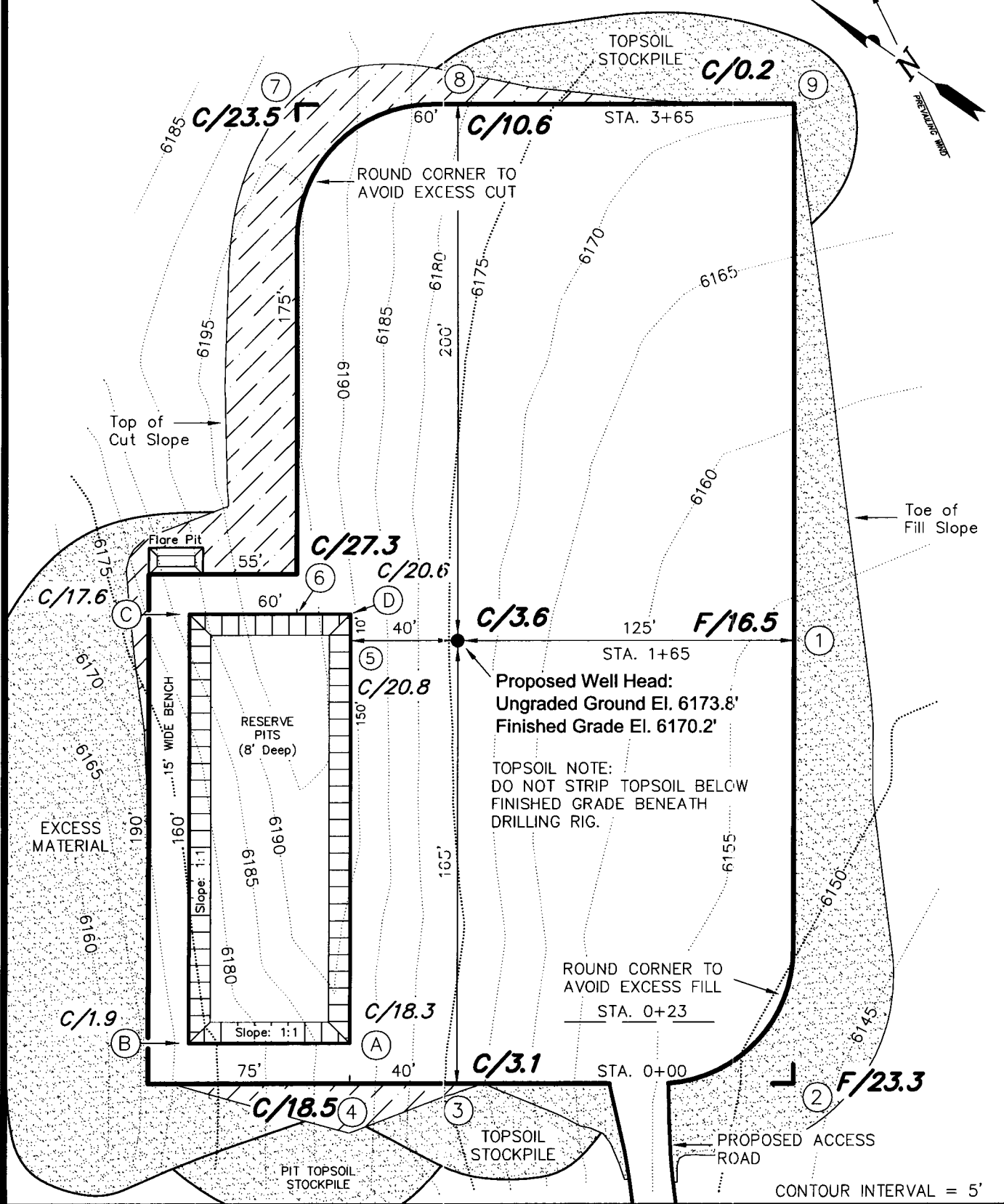
REVISED:

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
1
 OF 10

ENDURING RESOURCES

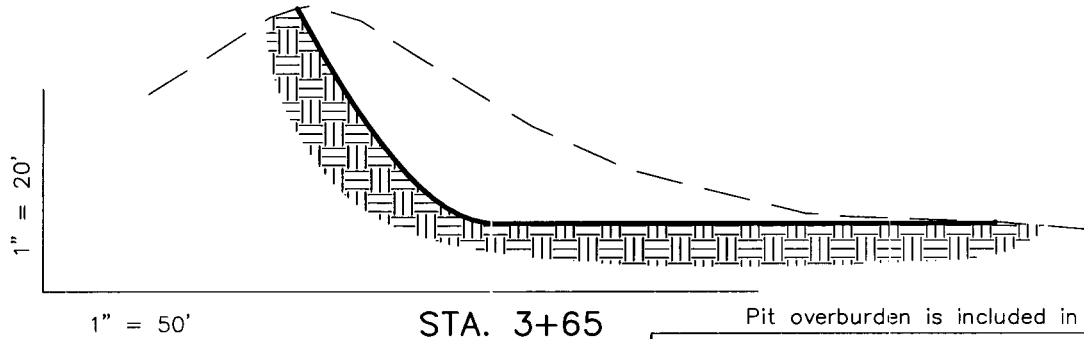
CUT SHEET - HANGING ROCK 12-24-31-18



Section 18, T12S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW NE		Footage Location: 615' FNL & 1880' FEL	
Date Surveyed: 02-24-07	Date Drawn: 02-26-07	Date Last Revision:	Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078		SHEET 3 OF 10
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'			

ENDURING RESOURCES

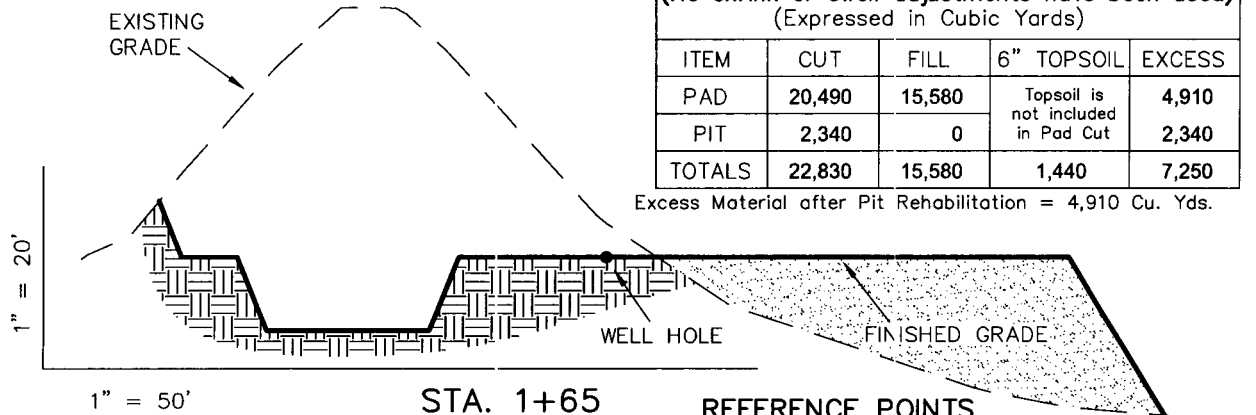
CROSS SECTIONS - HANGING ROCK 12-24-31-18



Pit overburden is included in pad cut.

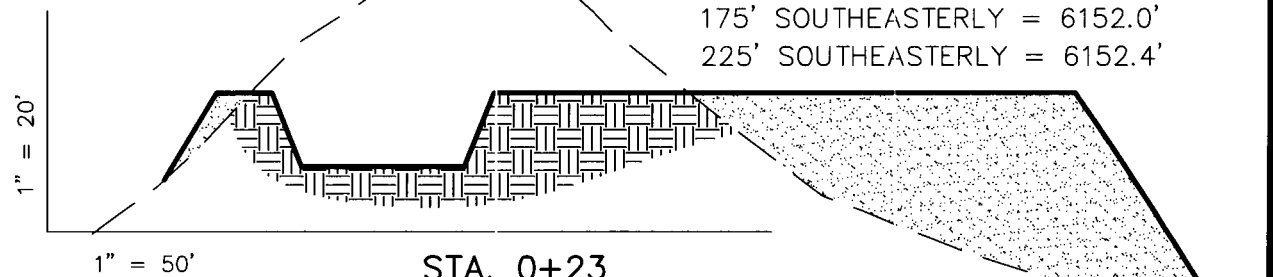
ESTIMATED EARTHWORK QUANTITIES (No shrink or swell adjustments have been used) (Expressed in Cubic Yards)				
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	20,490	15,580	Topsoil is not included in Pad Cut	4,910
PIT	2,340	0		2,340
TOTALS	22,830	15,580	1,440	7,250

Excess Material after Pit Rehabilitation = 4,910 Cu. Yds.

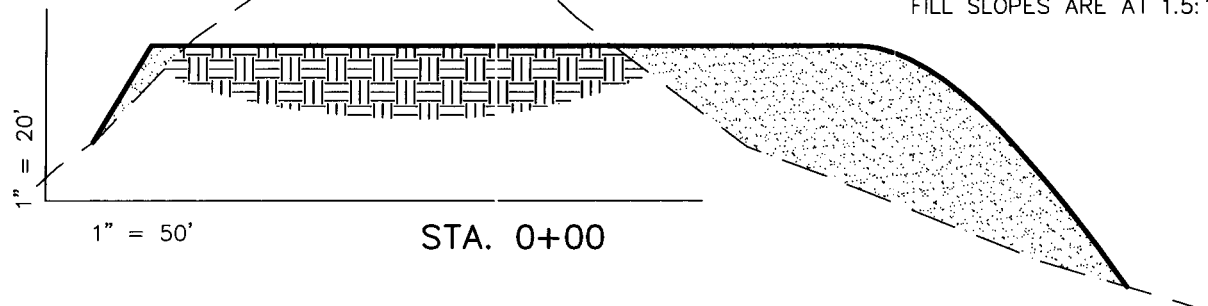


REFERENCE POINTS

250' NORTHEASTERLY = 6185.7'
 300' NORTHEASTERLY = 6191.2'
 175' SOUTHEASTERLY = 6152.0'
 225' SOUTHEASTERLY = 6152.4'



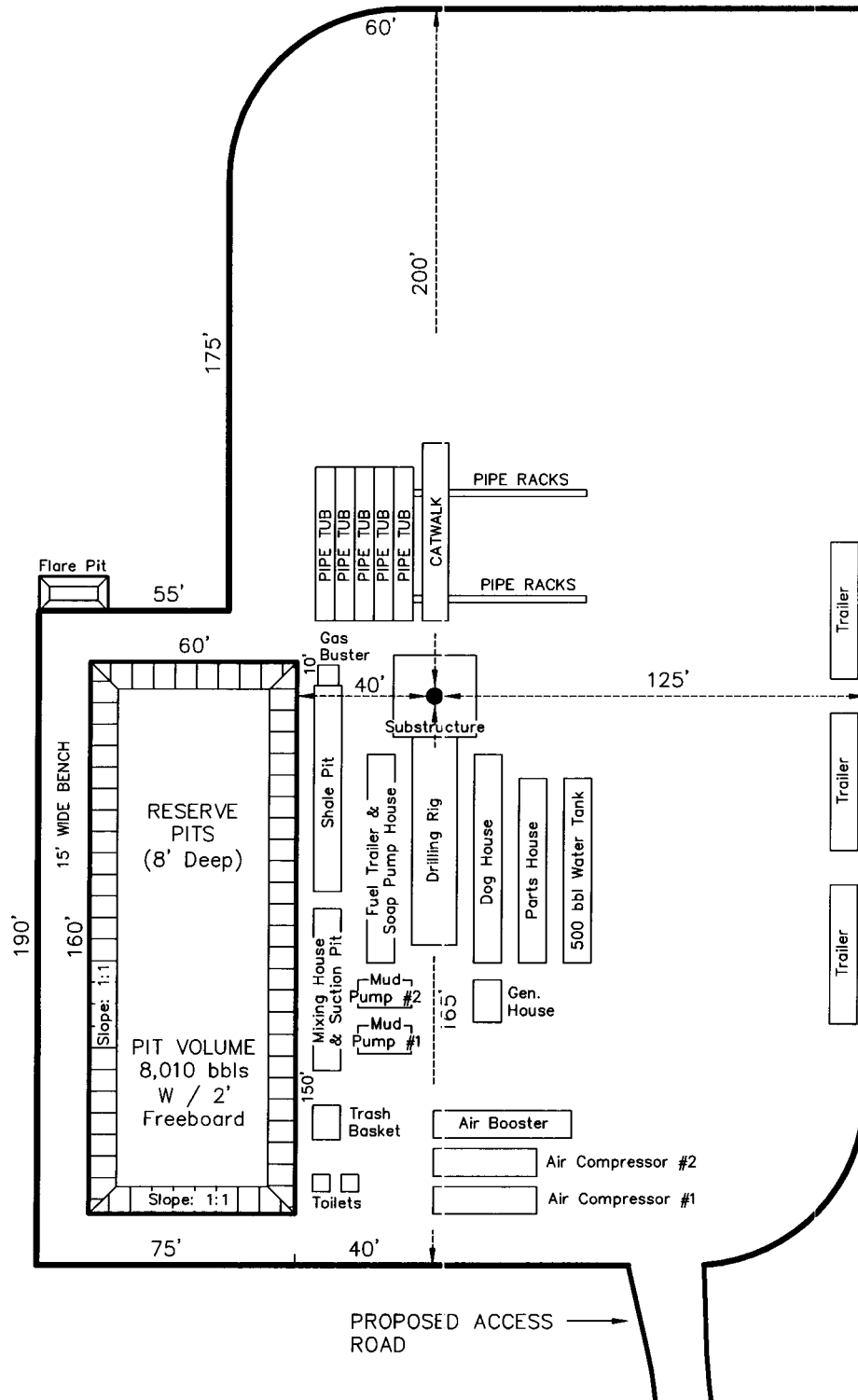
NOTE:
 UNLESS OTHERWISE NOTED
 CUT SLOPES ARE AT 1:1
 FILL SLOPES ARE AT 1.5:1



Section 18, T12S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW NE		Footage Location: 615' FNL & 1880' FEL	
Date Surveyed: 02-24-07	Date Drawn: 02-26-07	Date Last Revision:	<i>Timberline</i> <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078		SHEET 4 OF 10
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'			

ENDURING RESOURCES

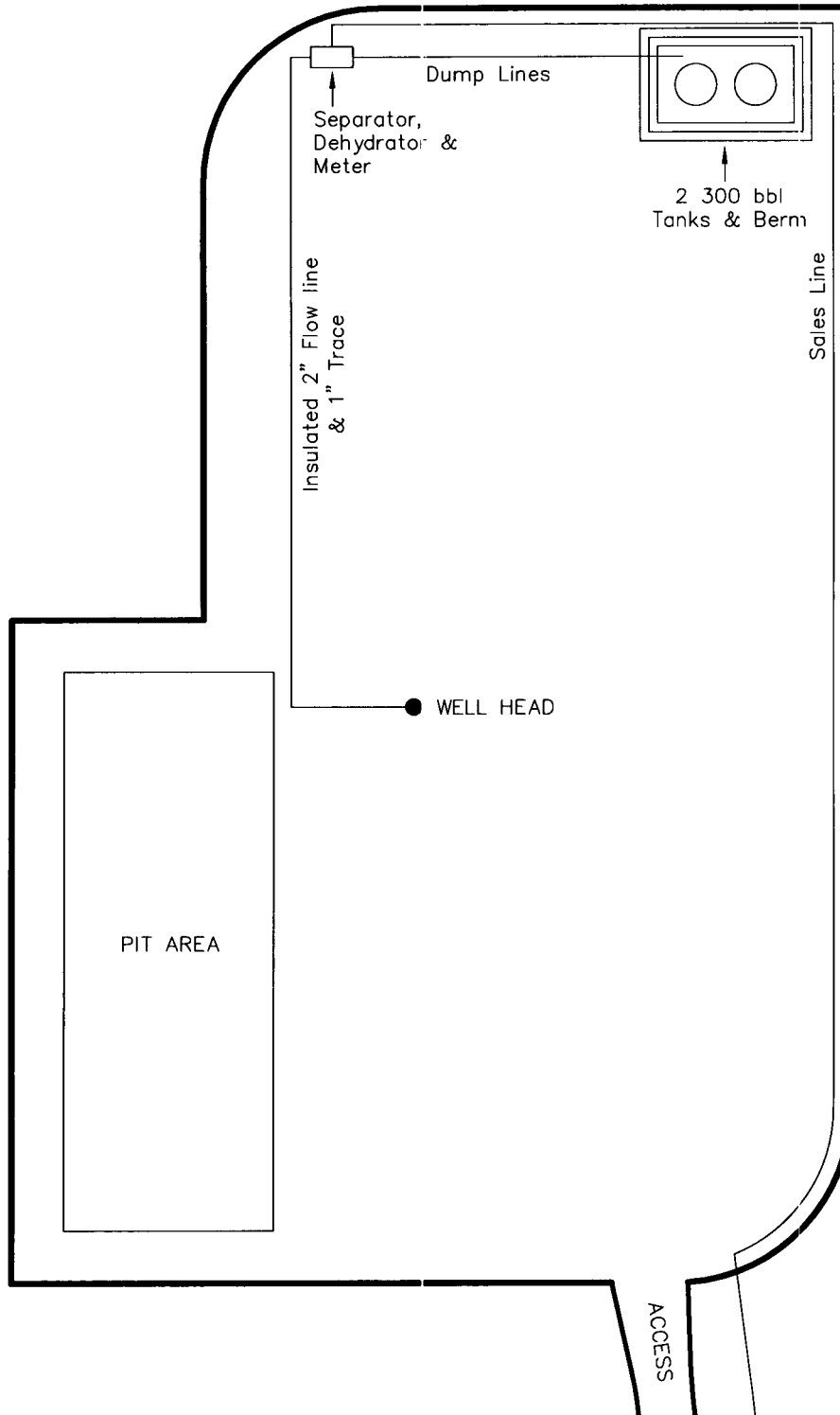
TYPICAL RIG LAYOUT -- HANGING ROCK 12-24-31-18



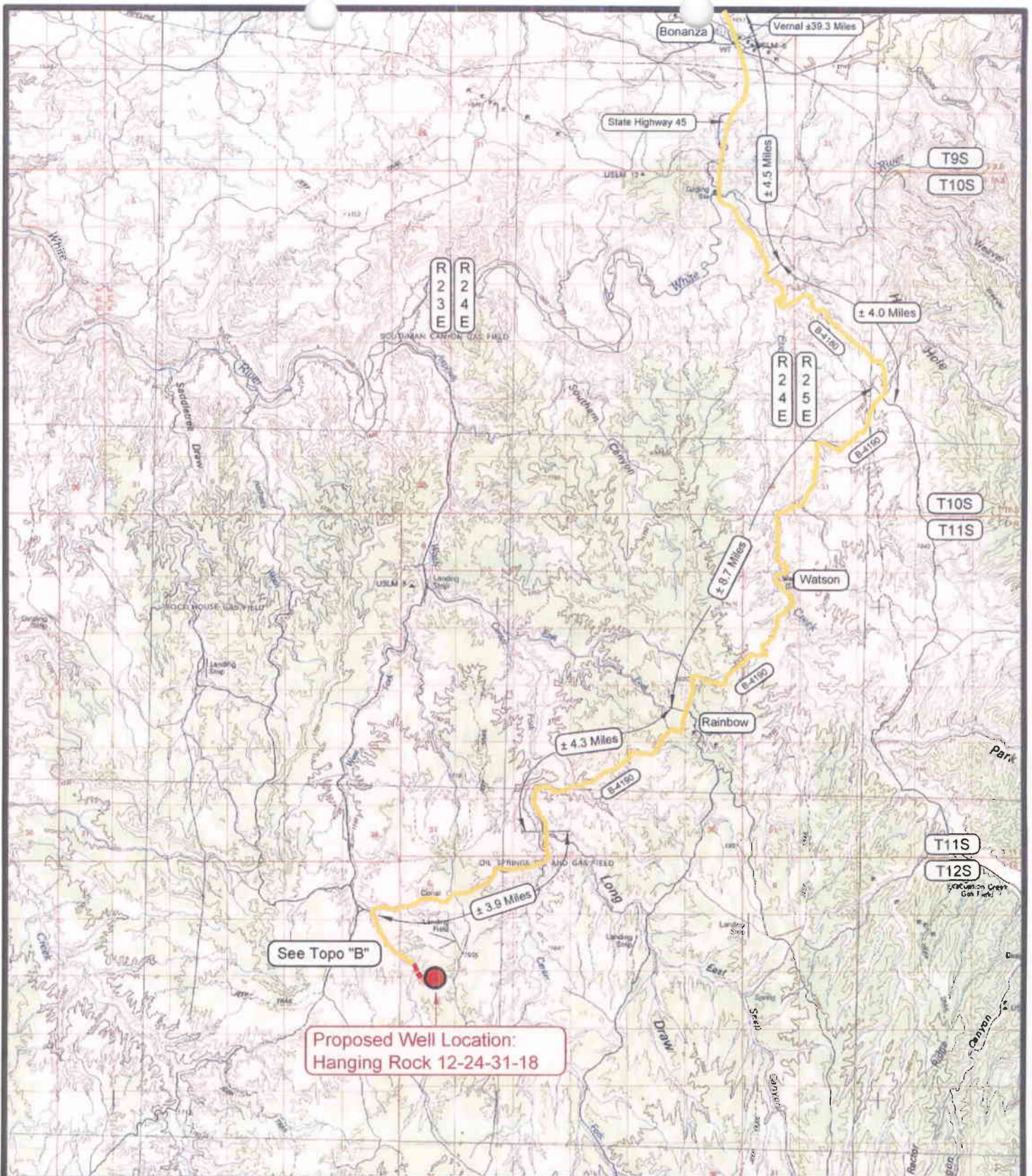
Section 18, T12S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW NE	Footage Location: 615' FNL & 1880' FEL
Date Surveyed: 02-24-07	Date Drawn: 02-26-07	Date Last Revision:	Timberline (435) 789-1365
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'	Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078			SHEET 5 OF 10

ENDURING RESOURCES

TYPICAL PRODUCTION LAYOUT – HANGING ROCK 12-24-31-18



Section 18, T12S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW NE	Footage Location: 615' FNL & 1880' FEL
Date Surveyed: 02-24-07	Date Drawn: 02-26-07	Date Last Revision:	Timberline (435) 789-1365
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 50'	Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078			SHEET 6 OF 10



LEGEND

PROPOSED ACCESS ROAD
 --- = SUBJECT WELL
 --- = OTHER WELLS
 --- = EXISTING ROAD
 --- = EXISTING ROAD (TO BE IMPROVED)

(B-5460) = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

SCALE: 1:150,000

DRAWN BY: M.W.W.

DATE SURVEYED: 02-24-07

DATE DRAWN: 02-26-07

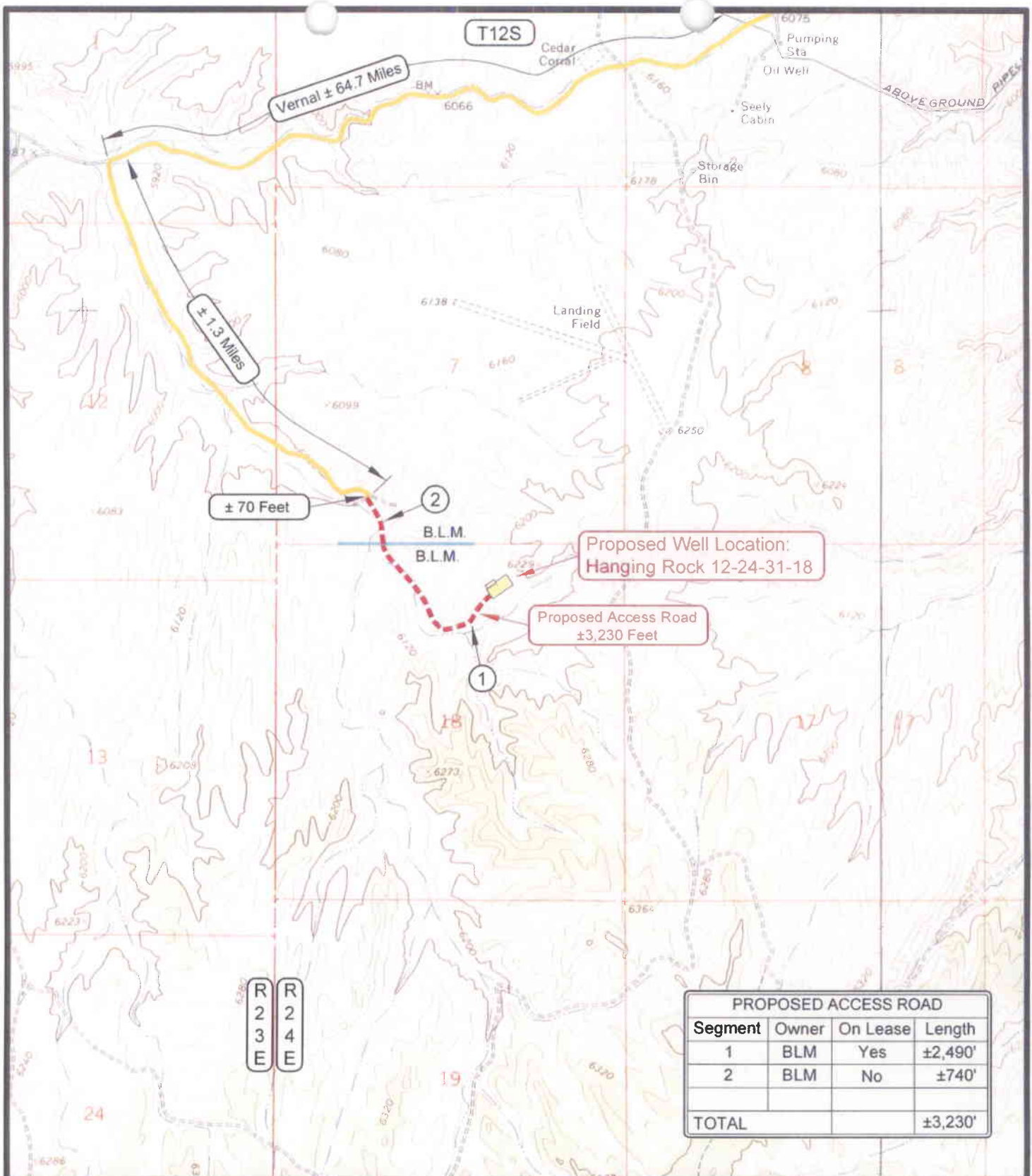
REVISED:

ENDURING RESOURCES

Hanging Rock 12-24-31-18
SECTION 18, T12S, R24E, S.L.B.&M.

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
 7
 OF 10



LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "B"

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

DATE SURVEYED: 02-24-07

DATE DRAWN: 02-26-07

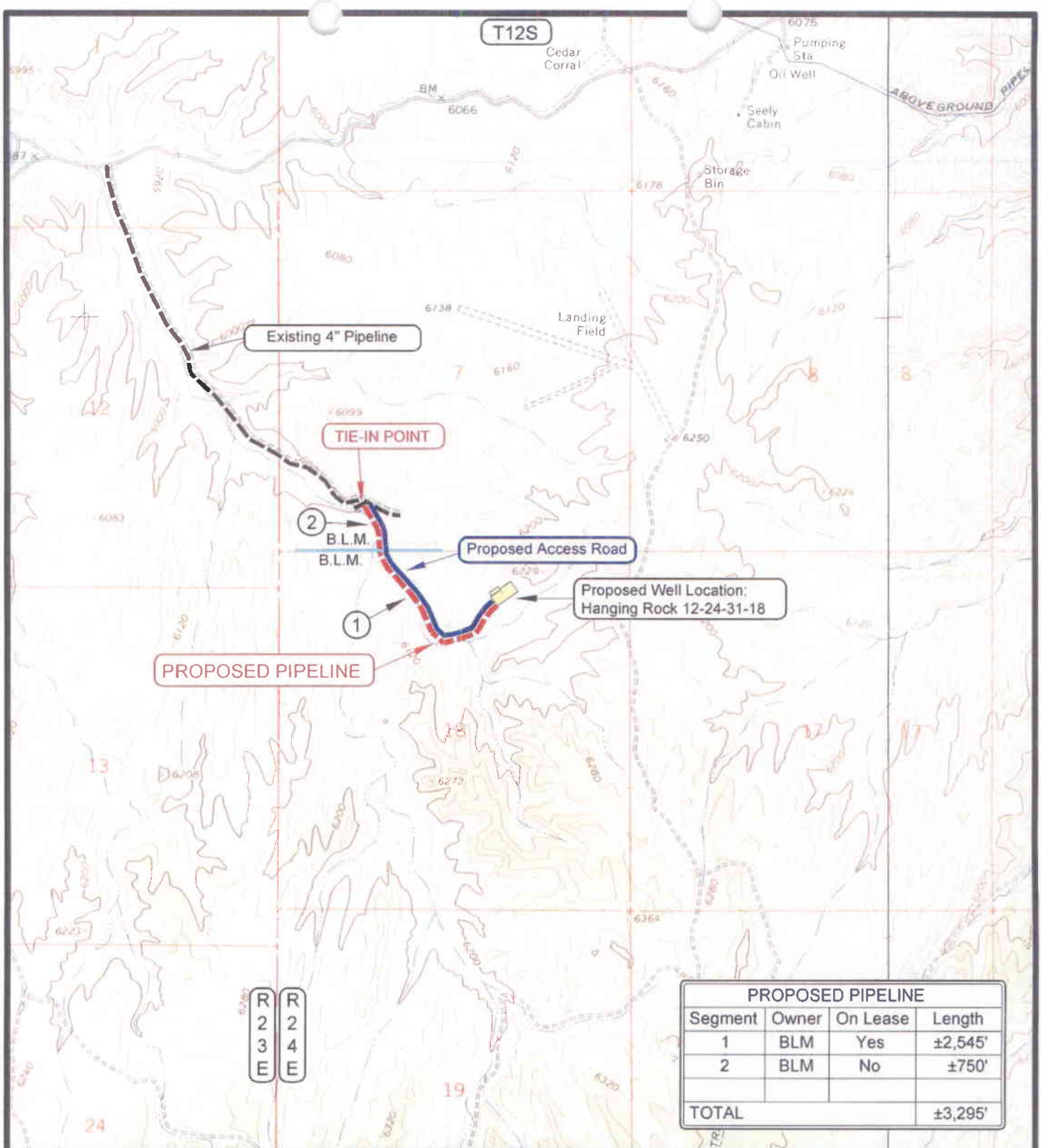
REVISED:

ENDURING RESOURCES

Hanging Rock 12-24-31-18
SECTION 18, T12S, R24E, S.L.B.&M.

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
8
OF 10



APPROXIMATE PIPELINE LENGTH = ±3,295 FEET

LEGEND

- = PROPOSED PIPELINE
- = OTHER PIPELINE
- = PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "D"

DATE SURVEYED: 02-24-07

DATE DRAWN: 02-26-07

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

REVISED:

ENDURING RESOURCES

Hanging Rock 12-24-31-18
SECTION 18, T12S, R24E, S.L.B.&M.

Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

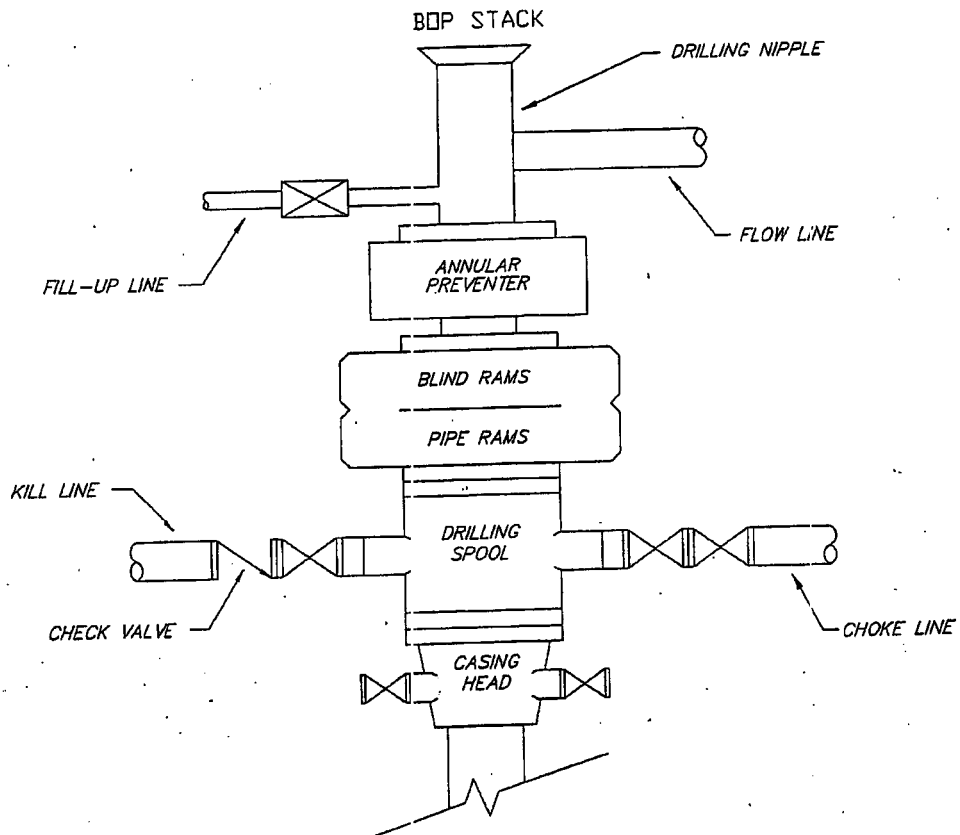
SHEET

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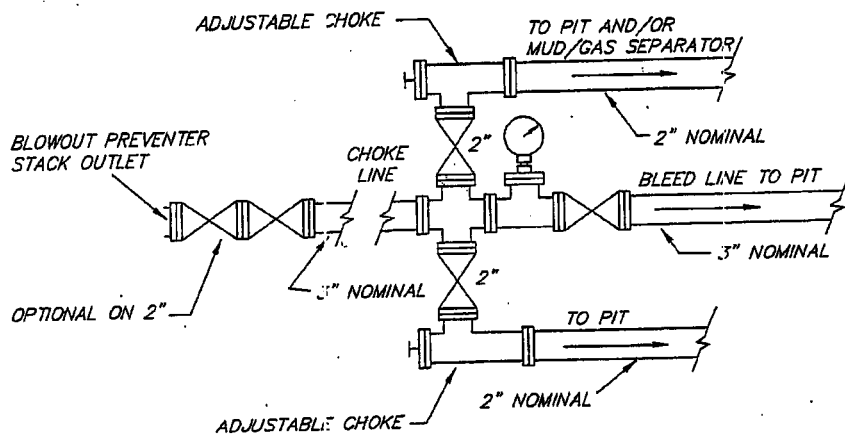
OF 10

ENDURING RESOURCES, LLC

TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/16/2007

API NO. ASSIGNED: 43-047-39215

WELL NAME: HANGING ROCK 12-24-31-18

OPERATOR: ENDURING RESOURCES, LLC (N2750)

CONTACT: EVETTE BISSETT

PHONE NUMBER: 303-350-5719

PROPOSED LOCATION:

NWNE 18 120S 240E

SURFACE: 0615 FNL 1880 FEL

BOTTOM: 0615 FNL 1880 FEL

COUNTY: UTAH

LATITUDE: 39.78053 LONGITUDE: -109.2701

UTM SURF EASTINGS: 648144 NORTHINGS: 4404621

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73704

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. RLB0008031)
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. 49-2249)
- ☒ RDCC Review (Y/N)
(Date: _____)
- ☒ Fee Surf Agreement (Y/N)
- ☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

- ☐ R649-2-3.
- Unit: _____
- ☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ☐ R649-3-3. Exception
- ☐ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- ☐ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

1. *Seal Off*
2. *Spacing*

HANGING ROCK
ED 7-14

OIL SPRINGS FIELD HANGING ROCK UNIT

T12S R24E

T12S R23E

HANGING ROCK
12-24-31-18

HANGING ROCK
12-24-31-18

CENTER
102K 1 17-4

18

OPERATOR: ENDURING RES LLC (N2750)

SEC: 18 T.12S R. 24E

FIELD: UNDESIGNATED (002)

COUNTY: UTAH

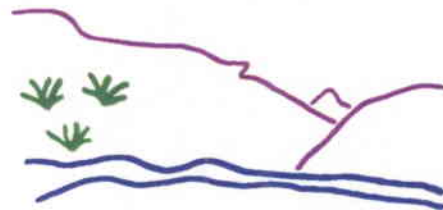
SPACING: R649-3-2 / GENERAL SITING

Field Status
 [] ABANDONED
 [] ACTIVE
 [] COMBINED
 [] INACTIVE
 [] PROPOSED
 [] STORAGE
 [] TERMINATED

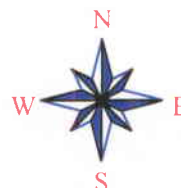
Unit Status
 [] EXPLORATORY
 [] GAS STORAGE
 [] NF PP OIL
 [] NF SECONDARY
 [] PENDING
 [] PI OIL
 [] PP GAS
 [] PP GEOTHERML
 [] PP OIL
 [] SECONDARY
 [] TERMINATED

Wells Status

[] GAS INJECTION
 [] GAS STORAGE
 [] LOCATION ABANDONED
 [] NEW LOCATION
 [] PLUGGED & ABANDONED
 [] PRODUCING GAS
 [] PRODUCING OIL
 [] SHUT-IN GAS
 [] SHUT-IN OIL
 [] TEMP. ABANDONED
 [] TEST WELL
 [] WATER INJECTION
 [] WATER SUPPLY
 [] WATER DISPOSAL
 [] DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 18-APRIL-2007



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 18, 2007

Enduring Resources, LLC
475 17th St., Ste 1500
Denver, CO 80202

Re: Hanging Rock 12-24-31-18 Well, 615' FNL, 1880' FEL, NW NE, Sec. 18,
T. 12 South, R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39215.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
Bureau of Land Management, Vernal Office

Operator: Enduring Resources, LLC
Well Name & Number Hanging Rock 12-24-31-18
API Number: 43-047-39215
Lease: UTU-73704

Location: NW NE **Sec.** 18 **T.** 12 South **R.** 24 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division with 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 office
(801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entry Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73704
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
PHONE NUMBER: (303) 350-5114		8. WELL NAME and NUMBER: Hanging Rock 12-24-31-18
4. LOCATION OF WELL FOOTAGES AT SURFACE: 615' FNL - 1880' FNL		9. API NUMBER: 4304739215
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 18 12S 24E S		10. FIELD AND POOL, OR WILDCAT: No name
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill

FROM: 4/18/2008
TO: 4/18/2009

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 4-28-2008

Initials: KS

Date: 04-24-08
By: [Signature]

NAME (PLEASE PRINT) Alvin R. (Al) Arlian	TITLE Landman - Regulatory Specialist
SIGNATURE [Signature]	DATE 4/18/2008

(This space for State use only)

RECEIVED
APR 21 2008
DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304739215
Well Name: Hanging rock 12-24-31-18
Location: 615' FNL - 1880' FEL , NWNE, Sec 18, T12S-R24E
Company Permit Issued to: Enduring resources, LLC
Date Original Permit Issued: 4/18/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒


Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

4/18/2008
Date

Title: Landman - Regulatory Specialist

Representing: Enduring Resources, LLC

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APR 21 2008
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73704
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
PHONE NUMBER: (303) 350-5114		8. WELL NAME and NUMBER: Hanging Rock 12-24-31-18
4. LOCATION OF WELL FOOTAGES AT SURFACE: 615' FNL - 1880' FNL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 18 12S 24E S		9. API NUMBER: 4304739215
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: No name
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully requests a one year extension of the expiration date of this Application for Permit to Drill.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 04-21-09
By: [Signature]

COPY SENT TO OPERATOR

Date: 4.22.2009
Initials: KS

NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman - Regulatory Specialist
SIGNATURE [Signature] DATE 4/13/2009

(This space for State use only)

RECEIVED

APR 20 2009

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304739215
Well Name: Hanging rock 12-24-31-18
Location: 615' FNL - 1880' FEL, NWNE, Sec 18, T12S-R24E
Company Permit Issued to: Enduring resources, LLC
Date Original Permit Issued: 4/18/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

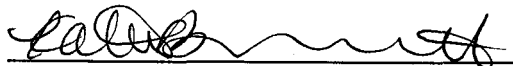
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

4/13/2009

Date

Title: Administrative Assistant

Representing: Enduring Resources, LLC

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APR 20 2009

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED
VERNAL FIELD OFFICE

FORM APPROVED
2007 APR 16 2:57
Expires March 31, 2008

5. Lease Serial No.
UTU-73704

6. If Indian, Allottee or Tribe Name
N/A

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No. N/A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		8. Lease Name and Well No. Hanging Rock 12-24-31-18
2. Name of Operator Enduring Resources, LLC		9. API Well No. 43 047 39215
3a. Address 475 17th Street, Suite 1500 Denver, CO 80202	3b. Phone No. (include area code) 303-350-5719	10. Field and Pool, or Exploratory Undesignated
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWNE 615' FNL - 1880' FNL At proposed prod. zone Same as surface		11. Sec., T. R. M. or Blk. and Survey or Area Sec 18 T12S R24E S.L.B.&M.
14. Distance in miles and direction from nearest town or post office* 66.6 miles South of Vernal, UT		12. County or Parish Uintah
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 615'		13. State UT
16. No. of acres in lease 640		17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1000' +		20. BLM/BIA Bond No. on file BLM - UTB000173
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6186' RT-KB		22. Approximate date work will start* 06/15/2007
		23. Estimated duration 20 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Evette Bissett</i>	Name (Printed/Typed) Evette Bissett	Date 04/11/2007
--	--	--------------------

Title
Regulatory Affairs Assistant

Approved by (Signature) <i>Terry Novella</i>	Name (Printed/Typed) Terry Novella	Date MAY 14 2009
---	---------------------------------------	---------------------

Title
Assistant Field Manager
Lands & Mineral Resources

Office
VERNAL FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

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JUN 11 2009

DIV. OF OIL, GAS & MINING

DEPT. OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2007 APR 16 2:57

VERNAL FIELD OFFICE

1106m
NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Enduring Resources, LLC
Well No: Hanging Rock 12-24-31-18
API No: 43-047-39215

Location: NWNE, Sec.18,T12S,R24E
Lease No: UTU-73704
Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist:	David Gordon	(435) 781-4424	
NRS/Enviro Scientist:	Christine Cimiluca	(435) 781-4475	
NRS/Enviro Scientist:	Lori Ford	(435) 781-4406	

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	- Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	- Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC CONDITIONS OF APPROVAL

- This proposed well is located within the Resource Development Group (RDG) EIS project. Adhere to applicable COA's approved in Final RDG EIS Record of Decision listed below:
 - Wildlife and T&E Species:
Observe the timing restrictions given below (Only during construction & drilling).
Lands in this lease have been identified as crucial habitat for red-tailed hawk and other wildlife. Therefore, modifications to the Surface Use Plan of Operations will be required in order to protect this wildlife habitat from surface disturbing activities (see below).

TIME RESTRICTIONS

REASONS

- i). Jan 1 – March 1..... crucial mule deer winter habitat
During this period, there will be no construction, drilling or fracing in order to minimize surface disturbance within mule deer habitat.
- ii). February 1 – August 15..... golden eagle habitat
During this period, there will be no construction, drilling or fracing within 0.5 miles of golden eagle nests in order to minimize surface disturbance during the nesting season.
- iii). March 15 – August 15..... red-tailed hawk habitat
During this period, there will be no construction, drilling or fracing within 0.5 miles of red-tailed hawk nests in order to minimize surface disturbance during the nesting season.

- **Habitat mitigation:** As per RDG EIS, 1.5 acres of mitigation will be required for every acre of disturbance within crucial mule deer winter range. Operator will contact BLM, VFO Authorized Officer for further details pertaining to this mitigation (contact Steve Strong; Phone: 435-781-4400 ext. 4472).

1. Transportation:

- All roads will be constructed to Gold Book standard
- Limit use of roads by heavy equipment during the periods when the roads are muddy.
- Operator will perform normal operational winter maintenance: roads will be plowed to allow safe navigation. And if snow is heavy, plows will provide breaks in the snow piled berms to allow free movement of wildlife across all roads.

○ **Mitigation for Water Supply - To Protect Threatened and Endangered Fish.**

- a) The best method to avoid entrainment is to pump from an off-channel location – one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.
- b) If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
 - i. Do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
 - ii. Limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (see above); and
 - iii. Limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
- c) Screen all pump intakes with ¼" mesh material.
- d) Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:

Northeastern Region
152 East 100 North, Vernal, UT 84078
Phone: (435) 781-9453

○ **Noxious Weeds:**

- Power-wash all construction equipment before commencing construction activities in order to eliminate noxious weeds

○ **Off-lease right of way (ROW) will be required for:**

- Approximately 750 feet by 30 feet width for access road and pipelines

○ **Interim Reclamation:**

All portions of the well pads and ROWS not utilized for the operation phase of the project will be re-seeded. Post construction seeding applications will continue until determined successful by the BLM.

- During interim reclamation of the surface, the following seed mixture will be used PLS (Pure Live Seed) formula.

needle & thread grass (<i>Stipa comata</i>),	3 lbs/acre
galleta grass (<i>Hilaria jamesii</i>)	3 lbs/acre
hycrest crested wheatgrass (<i>Agropyron cristayum/Agropyron desertorum hybrid</i>).....	2 lbs/acre

Rates are set for drill seeding; double the rate if broadcasting.

- Reseeding may be required if initial seeding is not successful.

Restrictions for placement of surface pipelines:-

- a): Surface pipelines will be placed 5-10 feet outside of the borrow area.
- b): Surface pipelines will be placed in such a way that they would not wander into the borrow area.
- c): Pipelines will be buried at all major road and drainage crossings.

- Paint all facilities Yuma green within six months of installation, except those facilities which are required to comply with the Occupational Safety and Health Act (OSHA).

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- For surface casing cementing program, stage Top Out or Top Job is to bring cement to surface. Note that stage Top Out is to bring cement to surface.
- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 300 ft above the surface casing shoe.
COA specification is consistent with operators performance standard stated in APD.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

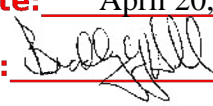
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73704			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: Enduring Resources, LLC		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202		8. WELL NAME and NUMBER: HANGING ROCK 12-24-31-18			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0615 FNL 1880 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 18 Township: 12.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047392150000			
PHONE NUMBER: 303 350-5114 Ext		9. FIELD and POOL or WILDCAT: OIL SPRINGS			
COUNTY: Uintah		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/18/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____ </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Request an one-year extension to APD termination date.					
Approved by the Utah Division of Oil, Gas and Mining					
Date: <u>April 20, 2010</u>					
By: 					
NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory			
SIGNATURE N/A	DATE 4/15/2010				

RECEIVED April 15, 2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047392150000

API: 43047392150000

Well Name: HANGING ROCK 12-24-31-18

Location: 0615 FNL 1880 FEL QTR NWNE SEC 18 TWNP 120S RNG 240E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 4/18/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Alvin Arlian

Date: 4/15/2010

Title: Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC

Date: April 20, 2010

By: 

RECEIVED April 15, 2010

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73704
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: Enduring Resources, LLC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202		8. WELL NAME and NUMBER: HANGING ROCK 12-24-31-18
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0615 FNL 1880 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 18 Township: 12.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047392150000
9. FIELD and POOL or WILDCAT: OIL SPRINGS		COUNTY: UINTAH
STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/18/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Request an one-year extension to APD termination date.		
Approved by the Utah Division of Oil, Gas and Mining Date: 04/18/2011 By:		
NAME (PLEASE PRINT) Alvin Arlian		PHONE NUMBER 303 350-5114
SIGNATURE N/A		DATE 4/15/2011



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047392150000

API: 43047392150000

Well Name: HANGING ROCK 12-24-31-18

Location: 0615 FNL 1880 FEL QTR NWNE SEC 18 TWNP 120S RNG 240E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 4/18/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

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- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
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- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Alvin Arlian

Date: 4/15/2011

Title: Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC

RECEIVED Apr. 15, 2011

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS** APR 08 2011
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

BLM

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU73704
2. Name of Operator ENDURING RESOURCES, LLC		6. If Indian, Allottee or Tribe Name
Contact: ALVIN (AL) R. ARLIAN E-Mail: aarlrian@enduringresources.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 475-17TH STREET, SUITE 1500 DENVER, CO 80202	3b. Phone No. (include area code) Ph: 303-350-5114 Fx: 303-573-0461	8. Well Name and No. HANGING ROCK 12-24-31-18
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T12S R24E Mer SLB NWNE 615FNL 1880FEL 39.464974 N Lat, 109.161440 W Lon		9. API Well No. 43-047-39215
		10. Field and Pool, or Exploratory UNDESIGNATED
		11. County or Parish, and State UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original PD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Request a two-year extension of APD expiration date from 5-14-2011 to 5-14-2013.

RECEIVED
JUN 08 2011
DIV. OF OIL, GAS & MINING

VERNAL FIELD OFFICE	
ENG. <u>QTD</u>	APR 20 2011
GEOL. _____	
E.S. _____	
PET. _____	
RECL. _____	

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #106132 verified by the BLM Well Information System For ENDURING RESOURCES, LLC, sent to the Vernal Committed to AFMSS for processing by ROBIN R. HANSEN on 04/12/2011 ()	
Name (Printed/Typed) ALVIN (AL) R. ARLIAN	Title REGULATORY SPECIALIST
Signature _____ (Electronic Submission)	Date 04/08/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DENIED	Title _____ Date APR 28 2011
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office VERNAL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UDOGM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

110011005 SE

Denied

Enduring Resources, LLC

Notice of Intent APD Extension

Lease: UTU-73704
Well: Hanging Rock 12-24-31-18
Location: NWE Sec 18-T12S-R24E

An extension for the referenced APD is denied for the following conditions:

1. The NEPA document expires on May 1, 2011.

If you have any other questions concerning this matter, please contact Carey Doyle of this office at (435) 781-4430.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal.html>



JUL 06 2011

IN REPLY REFER TO:
3160 (UTG011)

Alvin R. Arlian
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202

Re: Notice of Expiration **43 047 39215**
Well No. Hanging Rock 12-24-31-18
NWNE, Sec. 18, T12S, R24E
Uintah County, Utah
Lease No. UTU-73704

RECEIVED

JUL 18 2011

DIV. OF OIL, GAS & MINING

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the above-referenced well was approved on May 14, 2009. An extension request of the original APD was received on April 8, 2011. The request was reviewed and the extension request was denied on April 26, 2011, due to the NEPA document expiring on May 1, 2011. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Cindy Severson at (435) 781-4455.

Sincerely,

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 18, 2012

Al Arlian
Enduring Resources, LLC
511-16th Street, Ste. 700
Denver, CO 80202

Re: APD Rescinded – Hanging Rock 12-24-31-18, Sec.18 T.12S, R.24E
Uintah County, Utah API No. 43-047-39215

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 18, 2007. On April 24, 2008, April 21, 2009, April 20, 2010 and April 18, 2011 the Division granted a one-year APD extension. On April 17, 2012, you requested that the APD be rescinded. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective April 17, 2012.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

